



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0512	Title:	Fund certain local government infrastructure projects
Primary Sponsor:	Jones, Llew	Status:	As Introduced

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$15,685,500	\$0	\$0	\$0
State Special Revenue	\$15,685,500	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$15,685,500	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>(\$15,685,500)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 512 transfers \$15.686 million from the general fund to the Treasure State Endowment state special revenue account to provide grants to local governments for 25 additional infrastructure projects not currently authorized for funding through HB 11.

FISCAL ANALYSIS

Assumptions:

Department of Commerce (DOC)

- \$15,685,500 from the general fund would be transferred to the Treasure State Endowment state special revenue account to provide grants to 25 additional projects that applied to Treasure State Endowment Program for funding by the 2007 Legislature.
- The \$15,685,500 is a biennial appropriation.
- The \$15,685,500 transferred to the Treasure State Endowment state special revenue account could only be used to provide grants to the applicants listed in HB 512.
- The applicants that would be awarded grants funds would be required to meet all the same conditions required of the other applicants awarded funding through HB 11.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Grants	\$15,685,500	\$0	\$0	\$0
Transfers	\$15,685,500	\$0	\$0	\$0
TOTAL Expenditures	\$31,371,000	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$15,685,500	\$0	\$0	\$0
State Special Revenue (02)	\$15,685,500	\$0	\$0	\$0
TOTAL Funding of Exp.	\$31,371,000	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$15,685,500	\$0	\$0	\$0
TOTAL Revenues	\$15,685,500	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$15,685,500)	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

Effect on County or Other Local Revenues or Expenditures:

Each of the applicants listed in HB 512 would be required to provide a matching amount at least equal to the amount granted.

Technical Notes:

1. HB 512 does not take into account the projects funded through HB 11. HB 512, which is funded with general funds, provides a specific amount of general funds that is sufficient to fund each of the projects listed in HB 512. In contrast, HB 11 is funded with interest earned throughout the 2009 biennium, and the amount that will actually be received is not known until the end of the biennium. It is possible that interest earnings will be lower than what has been projected and appropriated for projects in HB 11. This could potentially result in some of the projects that are ranked higher and authorized for TSEP funding under HB 11 not being funded, while projects ranked lower and funded under HB 512 would be guaranteed funding.
2. The names of the applicants listed in Section 1, part 3, should state the legal name of the entity in order to eliminate any confusion about who the grant is to be awarded to. County water and sewer districts, in particular, need to be completely spelled out.
3. The amount for Mineral County/Saltse Water and Sewer District, page 2 line 17, is what was requested by the applicant and not what was recommended by the department. The department's recommendations reduced the grant award from the \$750,000 requested to \$390,000, because the applicant did not meet the department's requirements for a hardship grant.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date